

- **Belmont Warrant Committee Meeting Minutes**

- **FINAL**

- **February 1, 2012, 7:30 p.m.**

- **Chenery Community Room**

- Present: Chair Allison; Members Brusch, Epstein, Grob, Libenson, Lynch, Manjikian, McLaughlin, Millane; BOS Chair Jones; School Committee Representative Slap

- Members Absent: Baghdady, Becker, Dash, McHugh, and Sarno

- The meeting was called to order at 7:30 pm by Chair Allison.

- Chair Allison began by turning to the first item on the agenda.

- ***Belmont Fire Department Reserve Fund Transfer (RFT) Request***

- Chair Allison invited Chief Frizzell and Assistant Chief Davison to the WC table. Member Libenson summarized the issues pertaining to the RFT request. He stated that the RFT request is unexpected relative to what has been seen with the overtime (OT) account in the past. He said the Fire Department has kept the subcommittee and the Board of Selectmen in the loop on the OT budget issues. Libenson noted that it is not atypical for OT accounts to be under-funded as a result of unexpected OT hours. He said the staffing of OT is often difficult to predict as a result of unforeseen injuries, retirements, and other types of long-term disability issues. Libenson explained the use of “buffer staffing” in Belmont and noted that, last year, Belmont budgeted below the OT average and is not overusing OT when compared to other communities. He discussed ways in which the OT account is being managed by the Fire Department.

- Chief Frizzell offered that the OT need was indeed unforeseen. Regarding next year’s budget, he noted that the firefighters are in collective bargaining and that the OT account was increased for next year.

- It was noted that the RFT request of \$100K is 25% of what is in the reserve fund.

- Chair Allison said the life-cycle cost of hiring FTEs will be studied. Member Brusch said this request seems legitimate and that there are no other requests facing the reserve fund account at this time. Chair Allison asked about the additional \$80K that is budgeted into the OT account for FY13. She asked about the likelihood of a new request being needed, down the road.

- The WC discussed the wording of the amount of the motion.

- *Member Lynch moved:* That the WC grant the RFT in the amount of \$150K, but releasing at this time only \$100K to the Fire Department and

requesting that if there is a need for the remaining \$50K, that the fire chief will come back before the WC.

- The motion passed unanimously.

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Warrant Article VII Discussion and Vote

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- Chair Allison noted that the article has been amended and that the article is non-binding and advisory in nature. The WC briefly discussed if this article would be in effect for the April TM. Chair Allison read the text of the article noting that it becomes effective next year: Spring 2013.

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- *Member Brusch moved:* That the WC recommend favorable action on Article VII.

- The motion passed unanimously.

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Warrant Article II Discussion and Vote

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- Chair Allison thanked the BMLD and members of the WC, as well as BOS Chair Jones, for their hard work on this article. She recapped where the WC is, to date, on this article.

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- Member Manjikian summarized his thoughts on this article. He said he has had concerns along the way regarding the quality of the plans outlined (13.8kV versus 115kV) for the new substation. He said the numbers have changed throughout this process and he expressed concerns about the quality issues. Manjikian observed that the unfolding of this process was cluttered. He said more due diligence is called for and that until the remaining questions are answered, he cannot support the project at this time.

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- Member Epstein then summarized his thoughts, noting that he concurred with much of what Member Manjikian stated. He began by saying that having (over the past two years) attended many meetings and having read many documents on this issue, he said that he is clear that new capacity needs to be invested in, as the current substation will not meet Belmont's needs in a few years. Of the two proposals: 115kV or 13.8kV, he said the 115kV is a modern, effective approach that would work. Therefore, he asked, is the 13.8kV option a viable competitor? He said the answer to this is not clear, as the price-tag has been a moving target. The 13.8kV numbers, he continued, are all estimates and not NSTAR bids. Elements of these estimates are incomprehensible, he said. Member Epstein then reviewed the two options and their potential costs. The numbers need to be more final, he said. He said he hopes TM approves this project and that the choice of technology be further vetted, e.g., a final resolution on the 13.8kV question.

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- Member McLaughlin offered that he was convinced that 115kV was the appropriate path until last week's WC meeting. He said that NSTAR has offered five new lines (13.8kV lines), but has not offered a specific estimate. He said this has raised a lot of new questions. However, the article should move forward, while these questions are being answered.

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- Chair Allison noted that this is a big project and adequate electricity is a very big deal. She asked: Is the problem real? She answered yes, capacity is a real issue. Regarding quality, this is much less clear. From a cost point of view, this will cost between \$200-300 dollars per household per year. The 13.8kV solution still requires a serious discussion with NSTAR. The BMLD has been committed to the 115kV solution throughout the vetting process. Thus, the direct involvement of the BOS in the negotiating process would be more likely to provide an incentive to NSTAR to enter into serious negotiations.

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- Chair Jones said that there is a real reason to pass this article, and yet, it's not clear which option is the right one. He then offered answers to some of the questions raised. He elucidated the 13.8kV option for the WC. He proposed that if this article is passed, NSTAR will give the BMLD more details on the 13.8kV option and that the BMLD will be in a better position to negotiate with them. He then touched on the issue of electrical surges.

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- Chair Allison noted that the article does not commit to any particular plan. She asked: how will TM members be convinced that other options will be pursued, given the BMLD's focus on 115kV proposal. Chair Jones said that, if the article passes, both options will be evaluated and compared. He underscored the importance of this article passing at TM in order to give the town leverage to strike the best deal with NSTAR.

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- The WC then asked questions and discussed this article vis-a-vis what happens at TM next week. Member McLaughlin asked about the purpose of the WC's amendment to the article.

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- Chair Allison clarified that the intent of the amendment to the article is to ensure that the 13.8kV option gets a fair look, and that the BOS are responsible for participating in these discussions to ensure that happens.

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- The WC discussed.

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- Treasurer Carman confirmed that the project number is \$53.7M.

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- Mr. Brown (BMLD Chair) and Mr. Palmer (BMLD General Manager) approached the WC table. Mr. Palmer said that the process should not be delayed by six months. He said there has been a commitment to select the least expensive option, with the best product, for the town. He said the 115kV option was the least expensive option and that is why it was strongly pursued. He reminded the WC that NSTAR is a business, and as such, it is bent on making a profit, which is why they have not been forthcoming in the negotiations.

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- Mr. Brown agreed that the 13.8kV numbers are "squishy" because that is how NSTAR does business. The BMLD has not had the leverage to extract firm numbers, up

to this point. He noted that the 115kV numbers have been firm for at least a year. He said there are quality, efficiency, and reliability differences in the two options.

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- Mr. Allan Rice approached the WC table to speak to the quality distinctions of these options. (Mr. Rice, principal engineer with PLM, serves as an external consultant for the BMLD. PLM is an electric power engineering consulting and design firm, located in Hopkinton, MA.) Regarding efficiency, Mr. Rice stated that the 115kV is the superior option. He then discussed the interconnectivity benefits of the 115kV option as well as the circuit benefits. The 115kV option also offers better capacity, he added.

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- Mr. Brown added that there are regional benefits to the 115kV option, as well. He explained these benefits. Chair Allison observed that these 115kV benefit points do not easily translate to the fiscal impact on rate payers and, without probabilities, it cannot be determined whether the differences in reliability are meaningful to the BMLD customer. Member Manjikian noted that Belmont has had a reliable system, that the current system is a 13.8kV system, and that it has worked well. Capacity expansion will be needed for the future, but the need for greater reliability is unclear. He also noted that State filings showed that the quality of services was in the top quarter of all systems.

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- Mr. Palmer stated that the problem is real and he has data to back this point up.

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- Chair Allison raised the issue of filing an amendment regarding the amount of the project: \$53.7M. The WC discussed. It was decided that the BOS will file this amendment to Article II by Friday.

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- Regarding more strongly pursuing the 13.8kV option, Mr. Brown said the BMLD intends to do this, thus making the amendment unnecessary. Chair Allison distributed a draft motion for the WC to review. The language of the amendment was discussed.

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- *Member McLaughlin moved:* That the WC recommend favorable action on a proposed amendment that will include a \$53.7M cost number for the project and a requirement that the BOS take responsibility for negotiations with NSTAR regarding the 13.8kV option, and that that option be fully explored.

- The motion passed unanimously.

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- *Member McLaughlin then moved:* That a formal motion consistent with this intent be prepared and delivered to the Town Clerk on behalf of the WC.

- The motion passed unanimously.

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- ***FY12 2nd Quarter Results Review (School and Town)***

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- Chair Allison said that the town results are not yet available, but that the schools have distributed their second quarter results. She asked SC Representative Slap to review these results. Slap said that the schools are on budget overall and in all major categories. Chair Allison said she hopes to have the town report by February 15.

- ***“Risks and Opportunities” Update (Regarding Available Revenue Numbers)***

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- Chair Allison updated the WC on the risks and opportunities. She noted that she and SC Rep. Slap will meet with the Assessors to clarify some remaining issues, specifically whether a \$300K opportunity from the Assessor’s account should be treated as one-time or recurring. Chair Allison also noted that the earnings on investment estimate is \$85K lower than anticipated. However, the Governor’s budget came in \$8K higher than expected, thus putting the town at \$223K in the good. BOS Chair Jones then offered that the state may increase its MBTA fees, which would be an offset against that figure.

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- ***Review of Template for WC Report***

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- Chair Allison distributed a handout which uses the Library as an example on the template. She requested that the “missions” section be kept concise. She then distributed a handout on part-time employees.

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- ***Public Contributions***

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- There were none.

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- ***Wrap-up/Announcements***

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- Chair Allison noted that the budget report has been a challenging document to comprehend. Therefore, there will be a one evening course for new TM members on the budget report.

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- She then distributed a draft project description for a new, grant-funded position, to collect data on not only the comparable communities but also the best practice, benchmark communities. The WC paused to read the draft description.

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- BOS Chair Jones said that this would be an extremely difficult undertaking. Member Libenson suggested that the first step in the project should be a study of other municipal benchmarking projects.

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- ***Approval of Minutes for 1/11/2012 and 1/18/2012***

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- This was postponed until next week.

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- ***Adjournment***

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- Member McLaughlin moved to adjourn at 9:41 pm.

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- Submitted by Lisa Gibalerio
- WC Recording Secretary